

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type [] City [] Township [] Village [x] Other		Local Government Name Washtenaw County Money Purchase Pension Plan		County Washtenaw	
Audit Date 12/31/04		Opinion Date 2/23/05		Date Accountant Report Submitted to State: 3-02-05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

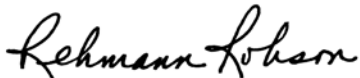
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | | | | | |
|-----|-----|-------|----|----|--|
| [] | Yes | [x] | No | 1. | Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| [] | Yes | [x] | No | 2. | There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| [] | Yes | [x] | No | 3. | There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| [] | Yes | [x] | No | 4. | The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| [] | Yes | [x] | No | 5. | The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| [] | Yes | [x] | No | 6. | The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| [] | Yes | [x] | No | 7. | The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| [] | Yes | [x] | No | 8. | The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| [] | Yes | [x] | No | 9. | The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) REHMANN ROBSON GERALD J. DESLOOVER, CPA			
Street Address 5800 GRATIOT, PO BOX 2025		City SAGINAW	State MI
Zip 48605		Accountant Signature 	

**WASHTENAW COUNTY
MONEY PURCHASE PENSION PLAN**

Financial Statements

**For The Years Ended
December 31, 2004 and 2003**



REHMANN ROBSON

Certified Public Accountants

WASHTENAW COUNTY MONEY PURCHASE PENSION PLAN

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REHMANN ROBSON

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

February 23, 2005

To the Board of Trustees
Washtenaw County Money Purchase Pension Plan
Ann Arbor, Michigan

We have audited the accompanying statements of plan net assets of the **Washtenaw County Money Purchase Pension Plan** (the "Plan") as of December 31, 2004 and 2003, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Money Purchase Pension Plan pension trust fund and do not purport to, and do not present fairly the financial position and the changes in financial position of Washtenaw County as of and for the years ended December 31, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Plan's net assets held in trust for pension benefits at December 31, 2004 and 2003, and changes therein for the years then ended in conformity with accounting principles generally accepted in the United States of America.



FINANCIAL STATEMENTS

WASHTENAW COUNTY MONEY PURCHASE PENSION PLAN

Statements of Plan Net Assets

December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Assets		
Investments, at fair value - mutual funds	\$ 41,098,710	\$ 33,977,266
Liabilities - Accrued liabilities	<u>-</u>	<u>1,007</u>
 <u>Net Assets Held in Trust</u> <u>for Pension Benefits</u>	 <u>\$ 41,098,710</u>	 <u>\$ 33,976,259</u>

The accompanying notes are an integral part of these financial statements.

WASHTENAW COUNTY MONEY PURCHASE PENSION PLAN

Statements of Changes in Plan Net Assets

For the Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Additions to net assets		
Contributions:		
Employees	\$ 2,814,747	\$ 2,671,872
Employer	<u>3,149,153</u>	<u>2,987,776</u>
Total contributions	<u>5,963,900</u>	<u>5,659,648</u>
Investment income:		
Interest and dividends	886,064	595,800
Appreciation in fair value of investments	<u>2,508,474</u>	<u>4,924,599</u>
Total investment income	<u>3,394,538</u>	<u>5,520,399</u>
Other additions	<u>67,962</u>	<u>5,630</u>
Total additions to net assets	<u>9,426,400</u>	<u>11,185,677</u>
Deductions from net assets		
Payments to terminated participants	2,244,493	1,298,801
Administrative expense	<u>59,456</u>	<u>46,102</u>
Total deductions from net assets	<u>2,303,949</u>	<u>1,344,903</u>
Increase in net assets	7,122,451	9,840,774
Net assets held in trust for pension benefits, beginning of year	<u>33,976,259</u>	<u>24,135,485</u>
Net assets held in trust for pension benefits, end of year	<u><u>\$ 41,098,710</u></u>	<u><u>\$ 33,976,259</u></u>

The accompanying notes are an integral part of these financial statements.

WASHTENAW COUNTY MONEY PURCHASE PENSION PLAN

Notes To Financial Statements

1. PLAN DESCRIPTION

The Washtenaw County Money Purchase Pension Plan (MPPP; the “Plan”) is a defined contribution pension plan established and administered by Washtenaw County (the “County”) to provide benefits at retirement to all regular employees of the County hired on or after January 1, 1989 who work greater than 50% hours. Plan members are required to contribute 6.0% or 7.5% of covered salary depending on the particular collective bargaining unit to which they belong. The County is required to match the plan member contributions. Plan provisions and contribution requirements are established and may be amended by the Washtenaw County Board of Commissioners, subject to the County’s various collective bargaining agreements.

The Plan is included as a pension trust fund in the County’s financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting. The MPPP financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due.

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

3. INVESTMENTS

The Plan’s investments are held by its trustee, a third-party financial institution. The management agreement between the Plan and the trustee requires fourteen separate investment funds, including ten stock funds, one balanced fund, one bond fund, one guaranteed interest fund, and a self-directed brokerage option. Participants select the particular funds into which their contributions and the related County matching contributions are made.

WASHTENAW COUNTY MONEY PURCHASE PENSION PLAN

Notes To Financial Statements

Plan investments as of December 31 are summarized as follows:

	<u>2004</u>	<u>2003</u>
Prudential Guaranteed Interest Account	\$ 7,913,275	\$ 7,409,932
American Balanced Fund A	5,570,233	4,659,043
Jennison U.S. Emerging Growth Fund A	2,021,733	1,651,148
PIMCO Total Return Fund A	3,887,300	3,340,239
Growth Fund of America A	5,268,810	3,970,063
Van Kampen Growth & Income Fund A	3,916,729	2,897,091
Dryden Stock Index Fund Z	5,545,341	4,758,259
EuroPacific Growth Fund A	2,356,788	1,628,940
AIM Small Cap Growth Fund A	3,195,244	2,824,401
Eaton Vance Worldwide Health Sciences A	404,514	290,451
Seligman Communication & Information A	281,849	212,632
Prudential Jennison Equity Opp A	498,461	222,741
AIM Mid Cap Equity Fund A	122,046	50,956
Prudential Self-directed Brokerage Holdings	<u>116,387</u>	<u>61,370</u>
Total investments	<u>\$ 41,098,710</u>	<u>\$ 33,977,266</u>

The Plan's investments are not subject to risk categorization since they are entirely in mutual funds, both at year end and throughout the year.

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